

Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----181717Z 113399 /41

O 181510Z MAR 77
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 5275

S E C R E T SECTION 1 OF 4 GUATEMALA 1729

EXDIS

FOR AMBASSADOR BUNKER ONLY

E.O. 11652: GDS
TAGS: OGEN PN PFOR
SUBJECT: US/PANAMA CANAL NEGOTIATIONS

REF: A) STATE 057150, B) GUATEMALA 1691, C) GUATEMALA 1722

CONTINUATION OF MEMCON SET FORTH IN REGTELS B AND C.

AFTERNOON MEETING RECONVENED AT 3:30 PM.

ESCOBAR: GOOD AFTERNOON, DISTINGUISHED AMBASSADORS. I WISH TO START THIS MEETING BY REQUESTING THAT AMBASSADOR LINOWITZ GIVE US AN EXPLANATION ON THE CONCEPT OF NEUTRALITY THAT COULD BE IN THE AGREEMENT THAT HE PRESENTED TO US THIS MORNING. WE WANT THIS SO THAT WE COULD STUDY ITS FULL DIMENSION AND IMPORT. WE WOULD APPRECIATE THIS INFORMATION AND KNOW THAT HE WILL GO ALONG WITH OUR REQUEST TO FIND OUT IN GREATER DEPTH HOW HE CONCEIVES THE CONCEPT OF NEUTRALITY CAN BE DEVELOPED, ITS CONTENT AND ITS MODUS OPERANDI. IN OTHER WORDS WE WOULD LIKE TO KNOW ALL THOSE ASPECTS THAT HE FEELS WOULD BE NECESSARY TO ALLOW US TO UNDERSTAND MORE CLEARLY WHAT HE TOLD US THIS MORNING.

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LINOWITZ: FIRST LET ME SAY THAT I WELCOME THIS OPPORTUNITY AND THAT I AM FLATTERED BY YOUR SUGGESTION THAT MY PROPOSAL MIGHT BE MORE COMPLEX THAN IT REALLY IS. IT IS YIMPLY A SUGGESTION WHICH I HAVE PUT FORWARD IN THE HOPE OF PROVIDING GREATER SIMPLICITY, INSTEAD OF GREATER COMPLEXITY TO OUR SEARCH FOR SOLUTIONS. I

SUGGESTED SEVERAL SEPARATE ASPECTS THAT MIGHT BE COVERED BY A NEUTRALITY AGREEMENT. TWO OF THEM ARE THOSE WHICH PANAMA HAS ADVOCATED; FIRST A DECLARATION BY PANAMA, AS TERRITORIAL SOVEREIGN, THAT THE CANAL WILL BE PERMANENTLY NEUTRAL; SECOND A PROVISION AFTER THE TERMINATION OF THE CANAL TREATY THAT ONLY PANAMA WILL MAINTAIN TROOPS, UNLESS BOTH PANAMA AND THE US WERE TO OTHERWISE AGREE; AND THIRDLY, A CAREFULLY FRAMED PROVISION THAT WOULD SAY SIMPLY WHAT MIGHT BE INTERPRETED AS MEETING US NEEDS AS WELL AS PANAMA'S ASPIRATION, TO THE EFFECT THAT "PANAMA AND THE UNITED STATES AGREE TO COMMIT THEMSELVES TO A REGIME OF NEUTRALITY (LATER WE WOULD DEFINE THE SPECIFICS THAT WOULD HAVE TO BE AGREED UPON), WHICH SHALL BE MAINTAINED IN ORDER THAT THE CANAL SHALL BE SECURE, FREE, AND OPEN TO ALL VESSELS WITHOUT DISCRIMINATION". LATER WE WOULD APPLY THE RULES OF NEUTRALITY.

WHAT THIS FORMULA DOES IS:

- (1) IT STARTS ON THE DAY OF THE TREATY WHEN THE UNITED STATES HAS PRIMARY RESPONSIBILITY FOR ASSURING THE NEUTRALITY OF THE CANAL, AND FOR THE PERIOD AFTER.
- (2) IT DOES NOT SAY BY WHOM OR HOW SUCH NEUTRALITY SHALL BE MAINTAINED BUT IT SIMPLY STATES THE CONCEPT IN GENERAL LANGUAGE.

IN SHORT THE IMPLEMENTATION IS LEFT FOR FUTURE DISCUSSION AND FUTURE ACTIONS, INSTEAD OF FOR PRESENT DELINEATION. I THINK, AND I WISH THIS KIND OF LANGUAGE
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SHOULD MEET WHAT WE UNDERSTAND WERE YOUR CONCERNS REGARDING SOVEREIGNTY, AND ALSO, I HOPE, OUR NEEDS AS THEY HAVE BEEN ASSERTED IN THIS COUNTRY. ADMITTEDLY THIS IS GENERAL LANGUAGE BUT IT IS FOR THESE GENERAL TERMS THAT WE HAVE A PREFERENCE.

ESCOBAR: COULD I ASK YOU A QUESTION REGARDING THIS MATTER WITH THE PURPOSE OF GAINING A BETTER INSIGHT INTO SOME OF THESE CONCEPTS?
LINOWITZ: CERTAINLY.

ESCOBAR: REGARDING THE NEUTRALITY PACT, HOW WOULD IT OPERATE VIS-A-VIS THIRD COUNTRIES? CONCRETELY, WHAT WOULD BE THE RELATIONS BETWEEN PANAMA AND THIRD COUNTRIES SPECIFICALLY WITH REGARD TO THE DECLARATION OF NEUTRALITY?

LINOWITZ: I DON'T KNOW. THE POINT IS SIMPLY THAT WE ARE STATING OUR MUTUAL CONCERN THAT THE CANAL REMAIN NEUTRAL AND WE ARE COMMITTING OURSELVES TO A

REGIME OF NEUTRALITY. I HAVE NOT THOUGHT OUT HOW IT
WOULD BE DONE. WE ARE TALKING OF THE PRINCIPLE. THERE
ARE GREATER ADVANTAGES TO THIS GENERAL LANGUAGE. WE
ARE NOT TRYING TO FORESEE WHAT MAY EVENTUALLY HAPPEN
IN THE FUTURE. THE LANGUAGE SIMPLY JOINS US IN OUR
COMMITMENT TO NEUTRALITY.

ESCOBAR: I HAVE ANOTHER QUESTION. HOW WOULD THE
NEUTRALITY PACT OERATE BETWEEN THE UNITED STATES AND
PANAMA? WHAT WOULD ITS EFFECTS BY SUPPOSING THE
UNITES STATES WENT TO WAR WITH THIRD COUNTRIES?

LINOWITZ: I HAVE NOT THOUGHT ABOUT THAT SPECIFIC
CASE. HOWEVER, WHAT WE ARE SAYING, IS THAT THE CANAL
MUST REMAIN NEUTRAL AND THAT CONCEPT IS COVERED:.
WE HAVE ASSURED THE NEUTRALITY OF THE CANAL.

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ESCOBAR: I ASK FOR YOUR INDULGENCE, AMBASSADOR
LINOWITZ, IN ASKING SO MANY QUESTIONS. HOWEVER TO
BETTER UNDERSTAND THOSE MATTERS WE WILLHAVE TO STUDY
I HAVE ANOTHER QUESTION. IN THE NEUTRALITY PACT
BETWEEN THE UNITES STATES AND PANAMA WOULD THIRD
COUNTRIES ONLY ADHERE TO THE PACT, OR WOULD THEY FORM
PART OF THE PACT? HOW WOULD THIS OPERATE?

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S E C R E T SECTION 2 OF 4 GUATEMALA 1729

EXDIS

FOR AMBASSADOR BUNKER ONLY

ARIAS: THE QUESTIONS WE ARE POSING REGARDING THE THREE POINTS ARE DUE TO THE FACT THAT THEY CONTAIN DIFFERENT ELEMENTS. FIRST, A DECLARATION BY PANAMA STATING THE PERMANENT NEUTRALITY OF THE CANAL AS A FUNCTION OF ITS SOVEREIGNTY. THIS WE UNDERSTAND WOULD BE A UNILATERAL DECLARATION BY PANAMA. SECOND, WHEN WE SAY THAT ONLY PANAMANIAN TROOPS SHALL BE MAINTAINED, WHERE WOULD THIS FORMULATION APPEAR? WOULD IT APPEAR AS PART OF THE PACT OR IN THE NEW CANAL TREATY?

LINOWITZ: IT DOES NOT MAKE ANY DIFFERENCE. THE AGREEMENT WOULD BE SIGNED AFTER THE CANAL TREATY. THERE WILL BE ANOTHER DOCUMENT ON NEUTRALITY.

ARIAS: THERE IS ANOTHER ASPECT I WISH TO CLEAR UP. WOULD IT BE A BILATERAL DECLARATION? WOULD IT BE A BILATERAL AGREEMENT?

LINOWITZ: THE UNITED STATES AND PANAMA WOULD ENTER INTO A TREATY WHICH WOULD BE A SEPARATE ONE FROM THE NEW CANAL TREATY. IN IT, FIRST, PANAMA AS TERRITORIAL SOVEREIGN WOULD DECLARE THE PERMANENT NEUTRALITY OF THE CANAL. SECOND, THE US WOULD AGREE, (AND THIS
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COULD ALSO APPEAR IN THE CANAL TREATY), THAT NO TROOPS WOULD BE STATIONED AFTER THE EXPIRATION WITH THE EXCEPTION OF PANAMANIAN TROOPS. THIRD, THE PROVISION THAT I HAVE READ TO YOU PLUS THE RULES OF NEUTRALITY.

ARIAS: I DO NOT SEE CLEARLY THE POINT THAT THE SECOND PROVISION ATTEMPTS TO MAKE. IF WE ARE TALKING OF A NEUTRALITY TREATY OR AGREEMENT, NOT ONE ON DEFENSE, WHY DO WE NEED A PROVISION THAT NO TROOPS WOULD BE MAINTAINED? THE RULES OF NEUTRALITY DO NOT ALLOW THE PRESENCE OF SUCH TROOPS.

LINOWITZ: OK. BECAUSE IT IS SO IMPORTANT FOR PANAMA WE COULD INCLUDE A STATEMENT TO THAT EFFECT IN THE NEUTRALITY TREATY AS WELL AS IN THE PACT.

ESCOBAR: I WANT TO SEE IF I UNDERSTAND WHAT IS BEING SAID. IN THE NEW TREATY ON THE CANAL WE WOULD STATE THAT THERE WOULD BE NO TROOPS AS OF THE END OF THE TREATY. THEN, IN THE NEUTRALITY PACT, WE WOULD NOT MENTION THIS QUESTION.

LINOWITZ: YES.

ESCOBAR: REGARDING THE NEUTRALITY PACT BETWEEN THE UNITED STATES AND PANAMA WHAT WOULD BE THE SITUATION OF THIRD COUNTRIES? WOULD THEY SIMPLY ADHERE TO THE BILATERAL PACT OR WOULD THEY BECOME PARTIES TO THE PACT?

LINOWITZ: FIRST, ONLY THE UNITED STATES AND PANAMA WOULD ENTER INTO A PACT. SECONDLY, AS WE HAVE SUGGESTED PREVIOUSLY, AND IF IT MEETS WITH YOUR APPROVAL THE US IS WILLING TO SUPPORT IT, THE UNITED STATES AND PANAMA TOGETHER WOULD SPONSOR A RESOLUTION IN THE OAS CALLING UPON ALL COUNTRIES TO SUBSCRIBE TO A
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PROTOCOL ASSERTING THAT THEY WILL RESPECT SUCH A NEUTRALITY. THE OAS COULD ALSO BE THE DEPOSITORY.

ESCOBAR: I HAVE ANOTHER QUESTION ON A MATTER OF GREAT IMPORTANCE. YOUR IDEAS REGARDING ANY BILATERAL NEUTRALITY PACT BETWEEN THE UNITED STATES AND PANAMA ARE ALWAYS VERY CLEAR. HOWEVER, IF ANY PROBLEM AROSE REGARDING THE OPERATION OF THE CANAL, RESULTING FROM DOMESTIC PANAMANIAN POLICIES OR ACTIONS, SUCH AS THOSE THAT MIGHT BE REQUIRED BECAUSE OF INTERNAL TERRORISM WE UNDERSTAND THAT IT WOULD BE THE EXCLUSIVE COMPETENCE OF PANAMA TO RESOLVE SUCH PROBLEMS AND THAT AT NO TIME YOU WOULD INVOKE THE NEUTRALITY PACT.

LINOWITZ: WITH ALL DUE RESPECT I WANT TO SAY THAT YOUR QUESTION IS PRECISELY THE KIND OF QUESTION I WANTED TO AVOID. IF YOU ARE GOING TO REQUIRE SPECIFIC INTERPRETATIONS OF THE PROVISIONS, THEN WE WILL REQUIRE SPECIFIC INTERPRETATIONS OF OTHER PROVISIONS. I SEE NO REASON FOR THE UNITED STATES TO HAVE TO MOVE IN, IN THE FUTURE, AS A RESULT OF DOMESTIC PANAMANIAN MATTERS BUT I BELIEVE IT IS A MISTAKE TO TRY TO REACH CLEAR LANGUAGE FOR EACH SPECIFIC CIRCUMSTANCE. THE REASON THAT THIS FORMULATION CAN BE APPROVED IS BECAUSE IT LEAVES OPEN THE POSSIBILITY OF INTERPRETATION TO THE FUTURE. WE CONSIDER THIS A GREAT CONCESSION. WE ARE NOT PLAYING GAMES HERE TONIGHT. WE HAVE PUT ON THE TABLE WHAT WE CONSIDER IS A VERY SUBSTANTIAL CONCESSION ON OUR PART. I UNDERSTAND YOUR QUESTIONS. MAYBE OUR PROPOSALS SOUND TOO GENEROUS. HOWEVER INSTEAD OF DEVOTING MORE HOURS TO FURTHER DISCUSSION I BELIEVE THAT AT THIS JUNCTURE I SHOULD MAKE CLEAR TO YOU THAT I AM TRYING TO INFORM YOU OF WHAT WILL BE NEEDED TO OBTAIN THE REQUIRED APPROVAL. HOWEVER IF WE START

CONCE AGAIN SPEAKING OF SPECIFIC QUESTIONS WE WILL BE
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LARGELY DEFEATING OUR PURPOSE AND WE WILL FIND
OURSELVES BACK WHERE WE STARTED.

I WANT TO ADD THAT YOU MUST LOOK UPON THIS PROPOSAL
AS A VERY SUBSTANTIAL INDICATION OF HOW FAR WE ARE
READY TO MOVE IN ORDER TO MOTIVATE YOU AND TO FIND
OUT WHETHER WE CAN AGREE OR NOT ON THIS PRINCIPLE
OF THE TREATY.

ESCOBAR: I UNDERSTAND, AMBASSADOR LINOWITZ. THE
PROBLEM IS THAT AS THESE QUESTIONS MUST BE STUDIED IN
DEPTH BY OUR GOVERNMENT, THE MORE INFORMATION WE HAVE
THE BETTER WE WILL BE ABLE TO STUDY THESE PROBLEMS AND
REACH APPROPRIATE DECISIONS. I FEEL IT IS NECESSARY TO
FIND OUT WHETHER THE NEUTRALITY PACT OR BILATERAL
NEUTRALITY AGREEMENT WOULD REQUIRE, IN ADDITION TO A
DEFINITION OF NEUTRALITY, A SERIES OF RULES REGARDING
THE MODUS OPERANDI OF SUCH NEUTRALITY. LOGICALLY IT
IS NECESSARY TO DEVELOP PROCEDURES ONE THE PACTS
HAVE BEEN DRAFTED. THE PROBLEM IS WHAT IS GOING TO
HAPPEN WHEN NEUTRALITY IS CONSIDERED VILATED. THIS
IS THE REASON FOR MY QUESTION. TO DETERMINE THE
IMPORT OF THE RULE FIRST REGARDING HOW WE ARE TO
INTERPRET THAT A VIOLATION HAS OCCURRED, AND
SECONDLY, WHAT ACTIONS ARE TO BE TAKEN AGAINST THE
VIOLATORS. AND HERE IS WHERE WE GET INTO THE
MILITARY PROBLEM.

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EXDIS

FOR AMBASSADOR BUNKER ONLY

WE REALLY DID NOT CONSIDER IT NECESSARY TO ENTER INTO A SECURITY PACT. WE SAW THAT A SECURITY AND A NEUTRALITY PACT WERE NOT ONLY REDUNDANT BUT EVEN CONTRADICTORY.

A NEUTRALITY PACT DOES NOT PRESENT US WITH A PROBLEM. HOWEVER THE DEFINITION OF THE RULES REGULATING NEUTRALITY ARE WHAT BOTH COUNTRIES WILL HAVE TO AGREE ON. REGARDING THESE REGULATIONS WE WILL HAVE TO FIND SATISFACTORY ANSWERS TO THE QUESTION OF WHEN NEUTRALITY HAS BEEN VIOLATED, BY WHOM, AND WHAT ACTION WILL BE NECESSARY. I HAVE POSED THESE QUESTIONS BECAUSE OUR GOVERNMENT WILL BE ASKING US THESE VERY SAME QUESTIONS WHEN WE RETURN.

LINOWITZ: I UNDERSTAND YOUR REASONS AND I MUST TELL YOU FIRST THAT I DON'T HAVE ALL THE ANSWERS. SECONDLY, WHEN WE WERE IN CONTADORA WE GAVE YOU A PAPER WITH THE RULES OF NEUTRALITY WHICH ALSO REFERRED TO ARBITRATION AND MEDIATION, AS WELL AS THE KIND OF THINGS THAT ARE COVERED NORMALLY UNDER THE RULES OF NEUTRALITY. I HOPE THAT WE ARE NOT TRYING TO COVER EVERY SINGLE POSSIBLE EVENTUALITY. IN PROVIDING YOU WITH THAT
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PAPER WE WERE TRYING TO FIND AREAS OF AGREEMENT REGARDING THE RULES THAT WOULD APPLY. WE HAVE NOT THOUGHT BEYOND THOSE RULES.

ESCOBAR: PLEASE EXCUSE ME, AMBASSADOR LINOWITZ, IF I INSIST SO MUCH ON THESE QUESTIONS. I WANTED TO TAKE THE MAXIMUM ADVANTAGE OF YOUR KNOWLEDGE OF THE ISSUES THAT CONSTITUTE VITAL PROBLEMS FOR OUR TWO COUNTRIES. I WANT TO THANK YOU FOR ALL YOUR EXPLANATIONS, WHICH WILL SERVE AS THE PARAMETERS WITHIN WHICH WE WILL STUDY THE PROBLEMS WITH THE CARE AND SERIOUSNESS REQUIRED. I AM AWARE THAT THE ISSUE IS OF VITAL IMPORTANCE TO THE OPERATION OF THE CANAL AND TO THE INTEREST OF THE US AND PANAMA.

I WISH TO PASS ON NOW TO ANOTHER PROBLEM, AND WOULD LIKE TO SEE IF IN FACT THE AMBASSADOR IS IN A POSITION TO RESPOND. FOR A FORMULA ON AN ISSUE AS IMPORTANT AS NEUTRALITY TO BE IN FACT DEVELOPED IT WILL BE

NECESSARY FOR OUR CONTRY TO EXERCISE GREAT FLEXIBILITY. AS WE SAID THIS MORNING, AND AS WE HAVE SAID ALSO IN CONTADORA, THIS FUNDAMENTAL PROBLEM IS INITIMATELY LINKED WITH THE ACTUAL RECOVERY BY PANAMA OF ITS TERRITORY, WHICH IS NOW LABELLED THE CANAL ZONE. WE HAVE ALREADY REACHED A THRESHOLD AGREEMENT ON JURISDICTION, HOWEVER WHEN THE US JURISDICTION DISAPPEARS IN THE CANAL ZONE A SERIES OF SPECIAL RULES AND REGULATIONS RESULTING FROM THE SOFA FOR THE DEFENSE SITES WILL CONINUE IN EFFECT. IN ADDITION WE WILL ALSO HAVE SOME REGULATION FOR THE ENTITY CREATED FOR THE ADMINISTRATION OF THE CANAL. REGARDING THESE TWO PROBLEMS WE DO NOT WISH TO SEE THAT WHEN US JURISDICTION DISAPPEARS, FROM THE POLITICAL AND JURIDICAL POINT OF VIEW, IT IS STILL DE FACTO MAINTAINED. IT WOULD CONSTITUTE AN IMPEDIMENT TO PANAMA'S ACTUAL ACCESS TO, AND USE OF ITS TERRITORY.

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IT WOULD BE A BARRIER TO THE EXERCISE OF ITS JURISDICTION AS A RESULT OF THE EXISTENCE OF SPECIAL REGULATIONS.

WE BRING UP THESE SPECIFIC AND CONCRETE ISSUES BECAUSE WE TRULY NEED A RESPONSE FROM THE DISTINGUISHED AMBASSADORS. THE PRESENTATION OF A TREATY IN PANAMA DEPENDS ON THE SOLUTION OF THESE ASPECTS WHICH ARE VITAL IF WE ARE TO AVOID GREAT FRICTION BETWEEN OUR PEOPLE AND THE U.S. WE MUST INSIST AND REITERATE ON THIS TRIP OUR REQUEST FOR AN ANSWER TO THE ASPIRATIONS WE HAVE POINTED OUT. WE WOULD LIKE YOU TO ANALYZE THESE MATTERS CAREFULLY AND GIVE US YOUR REACTION. FOR EXAMPLE, PANAMA NEEDS THE PORTS OF BALBA AND CRISTOBAL AND WE WILL NOT ARRIVE AT A TREATY IF THE PORTS ARE NOT UNDER THE CONTROL AND OWNERSHIP OF PANAMA. WE FEEL THAT THE MANAGEMENT OF THE TRAFFIC OF VESSELS THROUGH THE CANAL IS NOT INCOMPATIBLE WITH PANAMANIAN OWNERSHIP OF THE PORTS, BECAUSE IN TERMS OF THEIR JURIDICAL HIERARCHY IT IS SIMPLY A PROBLEM OF ADMINISTRATIVE REGULATIONS THAT CAN BE COORDINATED WITH THE ENTITY THAT WILL BE ESTABLISHED TO OPERATE THE CANAL.

REGARDING THE RAILROAD I HONESTLY THINK THE ISSUE IS MEANINGLESS AS FAR AS THE U.S. IS CONCERNED. WE UNDERSTAND THAT THE RAILROAD OPERATION HAS TO BE SUBSIDIZED BY THE PANAMA CANAL COMPANY. YET FOR THE ECONOMIC DEVELOPMENT OF PANAMA IT HAS AN ENORMOUS IMPORTANCE. REGARDING THE REDUCTION OF THE TRAINING AREAS, AND OF THE LANDS AND WATERS TO WHAT IS NECESSARY FOR THE OPERATION OF THE CANAL, AS WELL AS REGARDING THE DEFENSE SITES, WE SHOULD ALSO SEE A SHOW OF GREATER

FLEXIBILITY BY THE US SO THAT PANAMA CAN SUCCESSFULLY
SUBMIT A TREATY TO ITS OWN PEOPLE. WE KNOW THAT
THESE PROBLEMS WE HAVE MENTIONED SHOULD NOT PREVENT
YOU FROM SUBMITTING THE TREATY TO CONGRESS, BECAUSE
THEY ARE SECONDARY MATTERS. REGARDING THE SPECIFIC
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FORMULAS I WILL ASK ARCHITECT FAGREGA TO MAKE A
PRESENTATION OF THE VARIOUS POINTS IN OUR POSITION.
REGARDING THE RECOVERY OF ANCON HILL THIS IS AN
ABSOLUTE NECESSITY FOR PANAMA. I AM SURE THAT
EIGHTY PERCENT OF THE POPULATION OF THE UNITED STATES
HAS NO IDEA OF WHERE THIS SMALL HILL IS. WE COULD
PROBABLY CONDUCT A POLL AMONG THE MEMBERS OF CONGRESS

AND EVEN AMONG THE 2 HUNDRED MILLION INHABITANTS OF
THE UNITED STATES AND LESS THAN TWO PERCENT WOULD
KNOW ABOUT ANCON HILL. HOWEVER FOR A SMALL COUNTRY
LIKE PANAMA ANCON HILL IS TRULY A POLITICAL VOLCANO.
WITHOUT THE RECOVERY OF THIS SMALL HILL WE CANNOT
SUBMIT A TREATY. IT HAS BECOME A SYMBOL OF THE
REAFFIRMATION OF OUR JURISDICTION AND OUR NATIONALITY,
AND I CANNOT BELIEVE THAT IT COULD BE THE SOURCE OF
REAL CONFLICT WITH THE US CONGRESS.

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EXDIS

FOR AMBASSADOR BUNKER ONLY

NOW I WILL ASK ARCHITECT FABREGA TO ELABORATE ON THE PANAMANIAN PROPOSAL OF FEBRUARY 1977. THE PURPOSE IS THAT THE AMBASSADORS UNDERSTAND IN DEPTH OUR SITUATION, SO THAT THEY MAY SHOW US AN ATTITUDE THAT WILL ALLOW FOR GREATER PROGRESS IN OUR NEGOTIATIONS. THIS PROGRESS IS NOT ONLY DEPENDENT ON THE SOLUTION OF THE MATTER OF NEUTRALITY, TO WHICH WE HAVE GIVEN ALL THE SERIOUS ATTENTION IT MERITED, BUT ALSO OF THE KIND OF PROBLEMS VTHAT HE WILL OUTLINE AND THAT ARE AS IMPORTANT TO US AS IS THE ISSUE OF NEUTRALITY TO THE US.

NOTE: AT THIS POINT MRS. VAN REIGERSBERG REPLACED MR. HERVAS. THE MEMCON SHE PREPARED SHOULD BE INSERTED AT THIS POINT. THEREAFTER PLEASE INSERT THE FOLLWING EXCHANGE WHICH TOOK PLACE AT THE CONCLUSION OF THE MEETING.

BUNKER: I WANT TO THANK YOU FOR YOUR PRESENTATION. I DO NOT WANT OUR SESSION TO DRAG ON ANY MORE THAN NECESSARY. HOWEVER I WANT TO PAY TRIBUTE TO PANAMA FOR THE PATIENCE IT HAS DEMONSTRATED DURING OUR LENGTHY NEGOTIATIONS. IN 1967-8 WE FELT WE WERE VERY CLOSE TO A TREATY. AGAIN IN 1971-2 WE WERE ALSO VERY SECRET

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CLOSE TO A TREATY. LAST YEAR WE DID NOT MAKE ANY PROGRESS BECAUSE OF THE POLITICAL SITUATIN HERE. HOWEVER PRESIDENT CARTER HAS INDICATED IN HIS LETTER TO GENERAL TORRIJOS THAT HE WANTS TO SEE SOME PROGRESS IN RESOLVING OUR DIFFERENCES. WE ALSO SHARE THIS DESIRE. I THINK THAT OUR TALKS HERE TODAY HAVE BEEN VERY USEFUL. WE HAVE OBTAINED A CLEARER VIEW OF YOUR POSITION ON A NUMBER OF POINTS AND OF WHAT YOU CONSIDER ESSENTIAL. CERTAINLY YOU HAVE MENTIONED THE ISSUE OF DISMANTLING THE CANAL ZONE. HOWEVER IT IS CLEAR THAT BOTH THE CANAL AND THE ZONE WILL BE GOING OVER TO PANAMA MUCH EARLIER THAN WE HAD EVER CONTEM- PLATED.

REGARDING THE PROBLEM OF LANDS AND WTERS THAT YOU HAVE REFERRED TO, THIS IS AN ELEMENT THAT, AS WE HAVE INDICATED EARLIER CAN BE THE SUBJECT OF SOME PROGRESS. IT IS OUR VIEW THAT WE CAN PROCEED FURTHER. WE KNOW WHAT YOUR POSITION IS. WE WILL TRY TO GET A POLITICAL DECISION BEFORE OUR NEXT MEETING. I ALSO THINK THAT WE SHOULD SET A DATE FOR OUR NEXT ROUND OF NEGOTIATIONS BEFORE YOU RETURN TO PANAMA.

ROYO: AS SOON AS YOU HAVE AN ANSWER TO THE POLITICAL DECISION WE CAN TAKE A LOOK A THE CALENDAR AND SCHEDULE

OUR NEXT MEETING IN PANAMA. ON THAT BASIS IT WILL
SUFFICE IF YOU LET US KNOW WHEN YOU WANT TO MEET AGAIN.

BUNKER: BEFORE WE LEAVE I WANTED TO MENTION THE FACT
THAT WE HAVE LONG-STANDING INVITATION FROM PRESIDENT
PEREZ OF VENEZUELA TO VISIT HIM AND BRIEF HIM ON THE
STATUS OF OUR NEGOTIATIONS, AND WE ARE CONTEMPLATING
SUCH A VISIT IN THE NEAR FUTURE. WE WILL PROBABLY GO
ON TO VISIT PRESIDENT LOPEZ MICHELSEN IN COLOMBIA.
THIS WE ARE DOING IN RESPONSE TO THE LETTERS THAT THEY
WROTE TO PRESIDENT CARTER. EIGHT PRESIDENTS WROTE AND
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TWO OF THEM INVITED US TO VISIT THEIR RESPECTIVE
COUNTRIES. WE WANTED YOU TO BE INFORMED OF THIS.

ESCOBAR: THANK YOU VERY MUCH.

ROYO: WE SEE WITH GREAT SATISFACTION THAT YOU ARE GOING
TO VISIT THESE PRESIDENTS IN ORDER TO BRIEF THEM ON
THE PERTINENT AREAS OF OUR NEGOTIATIONS. AS YOU WELL
KNOW WE ARE ALSO TALKING WITH THE SAME PERSONS.

BUNKER: AMBASSADOR LINOWITZ AND I GREATLY APPRECIATE
YOU COMING TO WASHINGTON FOR A FRANK EXCHANGE OF
VIEWS. YOU HAVE BEEN TALKING ABOUT DISMANTLING THE
CANAL ZONE. YET WHEN THE TREATY GOES INTO EFFECT THERE
WILL BE NO ZONE LEFT. HOW ARE YOU GOING TO
DISMANTLE WHAT NO LONGER EXISTS? THE MAP OF PANAMA,
WHEN THE TREATY GOES INTO EFFECT, WILL NO LONGER SHOW A
CANAL ZONE.

ESCOBAR: WE HAVE PRINTED THAT MAP ALREADY.

NOTE: WHILE THE NEGOTIATORS WERE STANDING AROUND THE
TABLE BIDDING EACH OTHER FAREWELL, AMBASSADOR LINOWITZ
INDICATED THAT IN THE UNLIKELY EVENT THAT THE PRESS
HEAR ABOUT THE MEETING, BOTH SIDES MIGHT INDICATE THAT
THIS HAD BEEN AN OPPORTUNITY TO GET TOGETHER BECAUSE
THE PANAMANIAN NEGOTIATORS WERE IN MEXICO AND IT
WAS MUTUALLY CONVENIENT TO CONTINUE DISCUSSING THE
ISSUES AT THIS TIME IN WASHINGTON. IN PARTING,
MR. HERVAS IMPLICITLY OFFERED TO DISCONTINUE INTERPRETING
AND REPORTING ALONE AT ANY SIMILAR MEETINGS BETWEEN THE
TWO NEGOTIATING TEAMS. THOUGH NO UNDE EXPECTATION
EXISTS THAT THIS OFFER WILL RECEIVE THE REQUISITE
APPROVALS, BOTH US PRINCIPALS APPEARED TO SIGNAL SOME
RECEPTIVITY TO THE IDEA.

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MEETNG RECESSED AT 7:35 PM. END OF MEMCON.
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Message Attributes

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Drafter: n/a
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Film Number: D770093-0719
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From: GUATEMALA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770346/aaaabnze.tel
Line Count: 609
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cc0deeb5-c288-dd11-92da-001cc4696bcc
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Review Date: 24-Mar-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3069321
Secure: OPEN
Status: NATIVE
Subject: US/PANAMA CANAL NEGOTIATIONS
TAGS: OGEN, PFOR, PN, US, PQ
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/cc0deeb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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US Department of State
EO Systematic Review
22 May 2009
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